



PERMIT FOR GAS DRILLING AND PRODUCTION

The City of Arlington hereby issues permission to conduct gas drilling and completion activities associated with the well(s) identified below.

This Gas Drilling and Production Permit shall be posted in a conspicuous place on the drill site and shall not be removed without prior permission of the Gas Well Inspector. This permit shall be presented to the Gas Well Inspector or any City official upon request. The terms and provisions of the "Gas Drilling and Production" Chapter of the Code of the City of Arlington, as amended, are incorporated into this Gas Drilling and Production Permit as if written word for word herein and shall be considered terms and conditions of this Permit.

Permit Issued to:

Operator Chesapeake Operating, Inc

Agent to Receive Notice Dusty Anderson

Mailing Address 100 Energy Way

City Fort Worth State Texas Zip 76102

Work Phone (817)502-5000 Mobile Phone () E-mail dusty.anderson@chk.com

Well Name(s): Bobcat 1H

Property Description: Lot 57R1 of the Toliver Acres Addition, A-425

Address: 310 North Collins Street, Arlington, TX

Parcel and Production Unit: Bobcat Unit

RRC Permit Number: 704435 [API: 43-439-35559]

Permit(s) is/are issued pursuant to the "Gas Drilling and Production" Chapter of the Code of the City of Arlington, as amended, (Ordinance Number 10-012); and the approved zoning, gas well resolution, and any associated stipulations made by City Council.

Comments:

Permit valid until 10-15-11. See Pages 3 and 4 for stipulations.

Table with 4 columns: Fee (\$14,500.00), Receipt or Check No (2533-11086), Gas Well Permit No(s) (GW10-126), CC approval date (3/22/2011)

Building Official signature

Date 4/19/2011

Separate permits from the Community Development and Planning Department are required for building, mechanical, electrical, fire, concrete, walls/fencing, and plumbing.

The issuance of this permit shall not be construed as a permit to violate any provision of the Code of the City of Arlington, Texas or of the previously approved requirements, and associated site plan, identified in Zoning Case SUP09-31, approved 6/8/10, and Gas Well Resolution 11-091, approved 3-22-11.

Operator's Signature

Date 4/15/10

Printed Name Dusty Anderson

Note: Submit an electronic, color copy of a completed permit that is signed and notarized by the operator. Once issued, an electronic copy will be returned to the Operator. Page 3, Permit Stipulations, will be added at time of issuance.

INDEMNIFICATION AND EXPRESS NEGLIGENCE PROVISIONS:

Each gas well permit issued by the inspector shall include the following language:

OPERATOR DOES HEREBY EXPRESSLY RELEASE AND DISCHARGE, ALL CLAIMS, DEMANDS, ACTIONS, JUDGMENTS, AND EXECUTIONS WHICH IT EVER HAD, OR NOW HAS OR MAY HAVE, OR ASSIGNS MAY HAVE, OR CLAIM TO HAVE, AGAINST THE CITY OF ARLINGTON, AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, SUCCESSORS, ASSIGNS, SPONSORS, VOLUNTEERS, OR EMPLOYEES, CREATED BY, OR ARISING OUT OF PERSONAL INJURIES, KNOWN OR UNKNOWN, AND INJURIES TO PROPERTY, REAL OR PERSONAL, OR IN ANY WAY INCIDENTAL TO OR IN CONNECTION WITH THE PERFORMANCE OF THE WORK PERFORMED BY THE OPERATOR UNDER A GAS WELL PERMIT. THE OPERATOR SHALL FULLY DEFEND, PROTECT, INDEMNIFY, AND HOLD HARMLESS THE CITY OF ARLINGTON, TEXAS, ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, EMPLOYEES, SUCCESSORS, ASSIGNS, SPONSORS, OR VOLUNTEERS FROM AND AGAINST EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION AND ANY AND ALL LIABILITY, DAMAGES, OBLIGATIONS, JUDGMENTS, LOSSES, FINES, PENALTIES, COSTS, FEES, AND EXPENSES INCURRED IN DEFENSE OF THE CITY OF ARLINGTON, TEXAS, ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES, INCLUDING, WITHOUT LIMITATION, PERSONAL INJURIES AND DEATH IN CONNECTION THEREWITH WHICH MAY BE MADE OR ASSERTED BY OPERATOR, ITS AGENTS, ASSIGNS, OR ANY THIRD PARTIES ON ACCOUNT OF, ARISING OUT OF, OR IN ANY WAY INCIDENTAL TO OR IN CONNECTION WITH THE PERFORMANCE OF THE WORK PERFORMED BY THE OPERATOR UNDER A GAS WELL PERMIT. THE OPERATOR AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY OF ARLINGTON, TEXAS, ITS DEPARTMENTS, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, SUCCESSORS, ASSIGNS, SPONSORS, OR VOLUNTEERS FROM ANY LIABILITIES OR DAMAGES SUFFERED AS A RESULT OF CLAIMS, DEMANDS, COSTS, OR JUDGMENTS AGAINST THE CITY, ITS DEPARTMENTS, ITS OFFICERS, AGENTS, SERVANTS, OR EMPLOYEES, CREATED BY, OR ARISING OUT OF THE ACTS OR OMISSIONS OF THE CITY OF ARLINGTON OCCURRING ON THE DRILL SITE OR OPERATION SITE IN THE COURSE AND SCOPE OF INSPECTING AND PERMITTING THE GAS WELLS INCLUDING, BUT NOT LIMITED TO, CLAIMS AND DAMAGES ARISING IN WHOLE OR IN PART FROM THE NEGLIGENCE OF THE CITY OF ARLINGTON OCCURRING ON THE DRILL SITE OR OPERATION SITE IN THE COURSE AND SCOPE OF INSPECTING AND PERMITTING THE GAS WELLS. IT IS UNDERSTOOD AND AGREED THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION IS AN INDEMNITY EXTENDED BY THE OPERATOR TO INDEMNIFY AND PROTECT THE CITY OF ARLINGTON, TEXAS AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES FROM THE CONSEQUENCES OF THE NEGLIGENCE OF THE CITY OF ARLINGTON, TEXAS AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES, WHETHER THAT NEGLIGENCE IS THE SOLE OR CONTRIBUTING CAUSE OF THE RESULTANT INJURY, DEATH, AND/OR DAMAGE.

Dusty Anderson
Operator's Signature

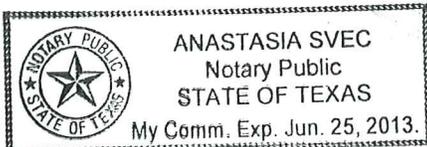
11/5/10
Date

Dusty Anderson
Printed Name

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Dusty Anderson, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for the purposes and consideration therein expressed as the act and deed of Chesapeake Operating, Inc., and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 5th day of November, 2010.

(seal)



Anastasia Svec
Notary Public In and For The State of Texas

My Commission Expires: _____

Truman Drill Site Permit Stipulations

1. A sign will be displayed at the gate stating the well number, the name and number of the operator, the emergency 911 number, and the telephone numbers of two contacts.
2. The ambient sound level is established at 59 dBA. During drilling, the allowable nighttime sound level is 62 dBA and the allowable daytime sound level is 64 dBA. Fracing operations shall not exceed 66 dBA. Due to the proximity of protected uses, the exterior sound levels shall be continuously monitored during on-site activity and the reports must be forwarded to the City daily.
3. The approved water site plan limits the rate of withdrawal to a maximum of 1,600 gallons per minute.
4. The operator shall not withdraw large volumes of water, i.e., filling frac pond/tanks, from the City's water supply system three hours prior to, during, and three hours after major events in the Entertainment District, e.g., Cowboys Stadium and Ranger's Ballpark.
5. The transportation route commences at State Highway (SH) 360. From SH 360, travel west approximately two miles on SH 180, East Division Street, to FM 157. Travel north on FM 157 approximately 0.13 miles to the site's access road on the left. Reverse the directions to gain access back to SH 360
6. Operational activities at the drill site must be coordinated with the City a minimum of 2 weeks prior to the activity to minimize any roadway impacts before, during, and after major events in the Entertainment District, e.g., Cowboys Stadium and Ranger's Ballpark.
7. Heavy truck maneuvers shall be scheduled to not interfere with traffic, which means the Operator must avoid stadium events, use flagmen and police escorts, and restrict truck traffic from 11 a.m. to 1 p.m.
8. Access to the site shall be off FM 157.
9. Prior to drilling, a chain-link fence must surround the well pad, and the chain-link fence on the eastern boundary of the SUP limits must be removed. The chain-link fence on the north and west SUP boundary lines must be maintained, and the existing fencing along the south SUP boundary line, consisting of chain-link, wood, and decorative metal, must be maintained.
10. Prior to drilling, a canopy tree and six eastern red cedar trees must be installed in a 10-foot-wide landscape setback along Truman Street in the location shown on the SUP site plan.
11. Prior to drilling, a canopy tree and 7 eastern red cedar trees must be installed along the eastern SUP boundary.
12. All existing trees and brush along the perimeter of the SUP boundary must remain.

13. After completion of all wells, the property owner must provide buffers and preserve the existing brush in a 20-foot-wide buffer along the SUP's north, east, and west perimeters, and preserve the existing trees and brush in a 20 to 30-foot buffer along the SUP's southern perimeter that is on the SUP property as shown in the site plan.
14. After the completion of all wells, the owner must provide and install: an eight-foot-high masonry wall around the perimeter of the well pad that is outside the Atmos gas line easement in the location shown on the SUP site plan; two additional canopy trees and 11 additional eastern red cedar trees along the western boundary of the well pad outside the masonry wall; 13 Eastern red cedar trees in a 20-foot-wide landscape buffer between the well pad's northern masonry wall and the north property line of the SUP; and for Eastern red cedar trees in a 20-foot-wide landscape buffer between the east portion of the site's southern masonry wall and the south SUP boundary line.
15. Site development, other than drilling, shall be conducted only between the hours of 6:00 a.m. and 7:00 p.m., unless stipulated otherwise.
16. A secured entrance gate containing a Knox-Box keybox or pad lock or equivalent is required. All gates are to be kept locked when the Operator or his employees are not within the enclosure. Barbed wire fencing is not permitted below a point six feet above the surrounding grade. The well heads and site equipment shall be surrounded by a six-foot chain link fence having a gate and lock. This required fence can either surround the entire site or be placed around the individual equipment areas. Secure fencing is required at all times the Operator or his employees are not on-site once drilling operations commence.

Construction Stipulations

17. Three-way contract forms required for public water utilities construction.
18. The water line easement exhibit (description and map) is required and shall include the name, title, and business of the person signing the easement.
19. The proposed fire hydrant must be visible from Truman or provide vehicle access to a point where the fire hydrant operation can be observed. Access to the fire hydrant cannot be blocked by a fence.